been cleared and in 'principle' approval for disinvestment in another 13 companies has been granted.

## Restructuring Proposals of HMT Ltd.

## 2380. SHRI J. CHITHARANJAN: SHRI V.V. RAGHAVAN:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether it is a fact that the restructuring proposal of the Hindustan Machine Tools Ltd. (HMT) has been sent to a group of ministers (GOM); and
- (b) if so, the details of the proposal and decision taken on the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA): (a) and (b) A proposal on the turnaround plan of HMT was referred to a Group of Ministers, whose recommendations have been approved by the Government. The salient features of the approved turnaround plan are as under:

- (i) Conversion of GOI loan of Rs. 39.70 crore into equity and write-off of interest accrued thereon of Rs. 12.74 crore.
- (ii) Infusion of fresh equity of Rs. 250 crore.
- (iii) Five unviable units to be closed down and Voluntary Retirement Scheme (VRS) extended to the 454 employees.
- (iv) Government to guarantee issue of bonds by HMT to raise Rs. 469 crore for funding VRS for retiring 6493 employees within 2 years and provide interest subsidy of 50% along with guarantee fee waiver.
- (v) The Machine Tool and Watch Group would be converted into subsidiaries by 31.12.2000. These subsidiaries would

be disinvested in upto 74%. Subsidiarisation of and disinvestment in the Tractor Division would also be undertaken on a time-bound basis.

- (vi) Watch Factory, Srinagar would be constituted as a subsidiary and be provided, for a period of three years, annual budgetary support as grant-in-aid to meet actual wages and salary outgo as per audited accounts in respect of employees posted at Srinagar.
- (vii) Government will extend guarantee of Rs. 40.43 crore for a period of two years to the Company to avail of working capital loan for the Watch subsidiary from banks.
- (viii) Rs. 15.10 crore will be given towards equity for incurring capital expenditure during 2000-01.

## Purchase Order with HEC, Ranchi

<sup>†</sup>2381. SHRI VIJAY SINGH YADAV: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the details of purchase order with Heavy Engineering Corporation, Ranchi (Bihar);
- (b) whether HEC has made necessary improvements in its working;
- (c) if so, the details of profit/losses of HEC during the last three years;
- (d) the number of officers and employees of HEC at present; and
- (e) the details of steps taken to improve the performance of employees of HEC?

THE MINISTER OF STATE IN THE MINISTRY OF PUBLIC ENTERPRISES HEAVY INDUSTRIES AND

<sup>†</sup>Original notice of the question was received in Hindi.